

**THIS CIRCULAR IS VERY IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, banker, legal advisor, accountant or other professional advisors immediately.

This circular has been prepared in compliance with Section 90 of the Companies Act (Cap 46:03) of the Laws of Malawi, Article 20(c) of Articles of Association of Standard Bank PLC, and the Malawi Stock Exchange Listings Requirements.



**Standard Bank**

**CIRCULAR TO SHAREHOLDERS**

In relation to:

**THE PROPOSED SUBDIVISION OF EVERY ONE (1)  
EXISTING ORDINARY SHARE IN THE COMPANY  
HELD ON THE RECORD DATE INTO FIVE (5)  
SUBDIVIDED ORDINARY SHARES**



Transaction Advisor



Legal Advisor



Sponsoring Broker



Transfer Secretary

**This Circular is dated 23<sup>rd</sup> May 2025**

## CORPORATE INFORMATION

### Registered Office

Standard Bank PLC  
Standard Bank Centre  
African Unity Avenue  
P.O. Box 30380  
Lilongwe  
+265 (0) 9990 01 5100

### Transfer Secretary

Standard Bank PLC  
Glyn Jones Road  
P.O. Box 1111  
Blantyre  
+265(0)9999015636  
Email: custodymalawi@standardbank.co.mw

### Legal Advisor

Singano Purshotam Law Consultants  
4th Floor, NBS Building  
Corner Victoria Avenue/Chilembwe Rd  
P.O. Box 2039  
Blantyre  
265 (0) 888 840 720  
Email: splaw@splaw.mw

### Transaction Advisor

Cedar Capital Limited  
4th Floor, Livingstone Towers  
P.O. Box 3340  
Blantyre  
+265 (0)111 831 395  
Email: info@cedarcapital.mw

### Sponsoring Broker

Continental Capital Limited  
Ground Floor, Ulimi House  
P.O. Box 1444  
Blantyre  
+265 (0) 111 828 363  
Email: capital@continental.mw

## DEFINITIONS

<b>AGM</b>	Annual General Meeting of the Company	<b>MK</b>	Malawian Kwacha
<b>Cautionary Statement</b>	A statement published in the newspapers advising the public of the impending subdivision of shares.	<b>MSE</b>	Malawi Stock Exchange
<b>Circular</b>	Circular to shareholders of the Company about the subdivision of the shares	<b>PAT</b>	Profit After Tax
<b>Companies Act</b>	Companies Act (Cap 46:03) of the Laws of Malawi	<b>Proposed Subdivision</b>	Proposed subdivision of every one (1) Standard Bank Plc ordinary share into five (5) ordinary shares
<b>CSD</b>	Central Securities Depository. This is where an electronic record of accounts of shareholders who converted their physical share certificate to an electronic record is kept. This is resident at the RBM.	<b>RBM</b>	Reserve Bank of Malawi
<b>Cum-Split</b>	Shares trading Cum-Split means the buyer of the shares will be eligible for the Proposed Subdivision on the Record date. The seller of the shares will not be eligible for the Company's shares sold Cum-Split.	<b>Record Date</b>	The cut-off date for the shareholders to qualify for the subdivision of shares.
<b>Dematerialization</b>	The process of converting physical securities represented by share certificates into electronic form, such that ownership of the securities is recorded and maintained in CSD.	<b>Registered Stockbrokers</b>	Cedar Capital Limited, 4th Floor, Livingstone Towers, Blantyre Continental Capital Limited, Ground Floor, Ulimi House, Blantyre Stockbrokers Malawi Limited, NBM Towers, Blantyre
<b>Earnings</b>	Earnings is the same as profit after tax attributable to ordinary shareholders of the Company	<b>Shares of no par value</b>	These are ordinary shares of the Company that have been converted to no par value or nominal value in line with requirements of the Companies Act
<b>EPS</b>	Earnings per share	<b>The Board</b>	The Board of Directors of Standard Bank PLC
<b>Ex-Split</b>	Shares trading Ex-Split means the buyer of the shares on that date and subsequent dates will not be eligible for those shares to participate in the Proposed Subdivision	<b>The Company</b>	Standard Bank PLC
<b>Last Cum-Split date</b>	Last date to buy shares and still be eligible for the Proposed Subdivision. All buyers of the Company's shares after this date will not qualify.	<b>The Resolutions</b>	Proposed resolutions to be passed by shareholders of the Company at the AGM to approve the subdivision of shares.
<b>Market Capitalisation</b>	The value of the Company as determined by the share price on the stock market. It is computed by multiplying the share price by the total number of shares in issue.	<b>Velocity</b>	Velocity in the stock exchange is used to measure the liquidity of a market or a particular share. It is computed by dividing the value of trades in a period by the closing market capitalisation for the period.



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# CHAIRPERSON'S LETTER TO SHAREHOLDERS

Incorporated in Malawi  
Company Registration COYR-JY51ZL

23<sup>rd</sup> May 2025

## Board of Directors

Christopher Kapanga (Chairperson)  
Alex Mkandawire  
Phillip Madinga (Executive Director)  
Sharon Taylor (South African)<sup>1</sup>  
Patrick Mweheire (Executive Director) (Ugandan)<sup>1</sup>  
Gladson Kuyeri  
Christina Chithila  
Maziko Sauti-Phiri  
Rachel Sibande  
David Pinto (Portuguese)<sup>1</sup>  
Shadreck Ulemu  
Margareth Chirwa  
Norah Nsanja (Company Secretary)

## To: Shareholders of Standard Bank PLC

Dear Sir/Madam

## PROPOSED SUBDIVISION OF SHARES

### 1. INTRODUCTION

Standard Bank PLC was one of the earliest companies to list on the Malawi Stock Exchange and due to the confidence the market has in the Company, backed by its outstanding performance, the Company's share price has increased significantly over the years to become the highest share price on the MSE in absolute value terms. The Board observed that this development adversely affected market liquidity of the stock and resolved to propose a subdivision of shares for consideration by the shareholders. This Circular supersedes the Cautionary Statement on the Proposed Subdivision published by the Company on 15<sup>th</sup> May 2025.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED SUBDIVISION AND TO SET OUT THE VIEW AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED SUBDIVISION TO BE TABLED AT THE FORTHCOMING AGM. THE NOTICE OF THE AGM AND THE PROXY FORM WILL BE INCLUDED IN THE AGM PACK THAT WILL BE SENT OUT TO THE SHAREHOLDERS.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING AGM.**

### 2. THE PROPOSED SUBDIVISION OF SHARES

#### 2.1 Details of the Proposed Subdivision of Shares

The Proposed Subdivision will entail the subdivision of every

one (1) existing ordinary share of Standard Bank PLC held by shareholders on the register of the Company's share register on the Record Date into five (5) ordinary shares.

As of the date of this Circular, the Company has 240,000,000 authorised shares of a par value of MK1 each and has 234,668,162 issued and paid up shares. In order to effect the Proposed Subdivision, the existing issued shares must first be converted to no par value shares in compliance with section 87(1) of the Companies Act, which mandates that any shares created or issued after the commencement of the Companies Act must be of no par or nominal value. This conversion will not alter the rights or liabilities attached to the shares but will remove the reference to nominal or par value.

The Proposed Subdivision, if approved, will increase the number of the issued and paid up shares from 234,668,162 to 1,173,340,810 ordinary shares. The 938,672,648 additional ordinary shares issued as a result of the Proposed Subdivision will be allocated to every existing shareholder on the Record Date in proportion to their holding.

The one (1) for five (5) subdivision of the shares will therefore increase the number of ordinary shares by multiplying the existing number of shares by five (5) to arrive at the total number of shares after the subdivision. Any reference to authorised share capital will be removed from the memorandum and articles of association of the Company to reflect the position after the conversion of the issued shares into no par value shares. The conversion of the shares into no par value shares and thereafter, the Proposed Subdivision will have the following effect on the issued share capital:

<sup>1</sup> Except for the nationalities disclosed against the Director's names, the rest of the Directors are Malawians

	Number of shares	Par Value (MK)	Share Capital (MK)
<b>Before the Subdivision</b>			
Authorised Share Capital	240,000,000	1.00	240,000,000.00
Issued Share Capital	234,668,162	1.00	234,668,162.00
Share Premium	N/A	N/A	8,490,981,300.00
<b>After the Subdivision</b>			
Authorised Share Capital	N/A	N/A	N/A
Issued Share Capital	1,173,340,810	N/A	8,725,649,462.00

## 2.2 Share Price and Market Capitalisation of the subdivided shares

The Proposed Subdivision will result in an adjustment of the Share Price of Standard Bank PLC listed and quoted on the main board of the Malawi Stock Exchange on the Record Date.

For illustrative purposes, based on the last traded price of Standard Bank PLC shares on 11<sup>th</sup> April 2025 on the MSE of MK9,500.00 per share, the effect upon completion of the Proposed Subdivision would have been as follows:

	Market Price Per Share (MK)	Number of Shares in Issue	Market Capitalisation (MK'm)
<b>Before the Subdivision</b>			
Standard Bank PLC	9,500.00	234,668,162	2,229,347.54
<b>After the Subdivision</b>			
Standard Bank PLC	<b>1,900.00</b>	<b>1,173,340,810</b>	<b>2,229,347.54</b>

Based on the illustration, the Proposed Subdivision will decrease the quoted Share Price of the Company on the MSE, but it will not have any impact on the total market value of all issued ordinary shares held by the shareholders of the Company – known as the Market Capitalisation.

## 2.3 Ranking of Ordinary Shares

The ordinary shares shall, upon completion of the Proposed Subdivision, rank equally in all respects with each other – thus the Proposed Subdivision will not create any shares of a different class. There will be no dilution of the stake held by any shareholder as a result of the Proposed Subdivision. All shareholders on the register of members of the Company on the Record Date will maintain their proportional stake in relation to the total number of shares in issue before and upon completion of the Proposed Subdivision.

## 3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED SUBDIVISION

The Proposed Subdivision is undertaken to:

- Reward the existing shareholders of the Company for their continuous support by increasing their equity participation in the Company in terms of the number of shares held while maintaining their percentage equity shareholdings without incurring any costs;
- Enhance the trading liquidity of the Shares on the MSE at the lower adjusted trading share price and increase the number of Standard Bank PLC Shares in issue without affecting the size of the market capitalization of the Company; and

- Encourage greater participation of new investor groups from the universe of the retail investors, corporations, investment funds and/or unit trusts, and new investors who prefer a lower entry cost and a more affordable share price to participate in the equity of the Company, which may widen the shareholder base in addition to the current shareholders.

## 4. EFFECTS OF THE PROPOSED SHARE SUBDIVISION

### 4.1 Share Capital

The effects of the Proposed Subdivision on the share capital of the Company have been discussed under the illustration in the third paragraph of 2.1.

### 4.2 Earnings and EPS

The Proposed Subdivision is expected to be completed by the third (3rd) quarter of the year 2025. However, the Proposed Subdivision is not expected to have any material effect on the earnings of the Company for the year ending 31<sup>st</sup> December 2025. Assuming that the earnings of the Company remain unchanged from the year ended 31<sup>st</sup> December 2024, the EPS of the Company will be proportionally diluted as a result of the increase in the number of shares in issue pursuant to the Proposed Subdivision.

For illustrative purposes, based on the latest consolidated audited financial statements of Standard Bank PLC for the year ended 31<sup>st</sup> December 2024, the pro forma effects of the Proposed Subdivision on the EPS of the Company assuming the Proposed Subdivision Split had been completed at the beginning of the financial year ended 31<sup>st</sup> December 2024 are set out below:

	Audited for FYE 31 <sup>st</sup> December 2024	After the Proposed Subdivision
Profit after tax attributable to ordinary shareholders (MK'm)	86,365	86,365
Number of Shares in Issue (m)	235	1,173
EPS (MK per share)	367.51	73.63

#### 4.3 Dividends

The Proposed Subdivision will not have any impact on the dividends of the Company. Standard Bank PLC will declare and pay dividends as approved by its members in the AGM. The dividend per share will reduce post subdivision of shares in proportion to the number of Shares in Issue.

#### 4.4 Directorship and Management

The Proposed Subdivision will not change the existing directors and management of the Company.

## 5. HISTORICAL SHARE PRICE AND MARKET COMPARISON

### 5.1 Share price trajectory by month

MONTH	HIGH PRICE (MK)	LOW PRICE (MK)	MONTHLY-TRADED VOLUME	MONTHLY-TRADED VALUE (MK)
Apr 2025	9,502.03	7,945.01	29,808	277,704,821.58
Mar 2025	7,941.08	6,962.22	50,511	400,458,109.80
Feb 2025	6,962.21	6,900.02	37,393	258,494,624.50
Jan 2025	6,900.02	6,483.95	5,286	36,231,711.00
Dec 2024	6,483.95	6,000.13	116,158	711,961,644.15
Nov 2024	6,000.12	5,495.21	1,191,823	7,140,663,749.30
Oct 2024	5,495.21	5,335.07	819,032	4,498,664,737.80
Sep 2024	5,335.06	4,850.01	82,418	439,701,086.90
Aug 2024	4,850.01	4,400.01	53,996	258,321,108.14
Jul 2024	4,400.01	4,400.00	1,000	4,400,010.00
Jun 2024	4,400.00	3,950.34	49,544	199,088,494.00
May 2024	3,950.33	3,950.26	9,367	37,002,458.00
Apr 2024	3,950.26	3,950.22	21,708	85,751,889.24
Mar 2024	3,950.22	3,950.18	115,164	454,918,695.20

Source: MSE

### 5.2 Annual market performance for 2024 –selected indicators

INDICATOR	STANDARD BANK PLC	TOTAL MARKET	STANDARD BANK AS % OF MARKET
Market Capitalisation as at 31 December 2024 (MK'm)	1,521,576.63	9,376,282.41	16.23%
Total Turnover (MK'm)	13,880.80	124,665.18	11.13%
Number of shares traded	2,472,951	1,249,740,199	0.20%
Number of trades	555	14,471	3.83%
Velocity (Liquidity measure)	0.91%	1.33%	

Source: MSE

The share price has been on a strong upward trajectory as can be seen in 5.1. Comparing with the market, it is evident that the high market price of the share resulted in less trades pricing out most of the retail investors. Of the total shares traded in the market in 2024 only 0.20% was from the Company's shares and it only contributed approximately 4% of the number of trades. These indicators show less trading activity and thus meet one of the eligibility criteria considered by the MSE under clause 8.15 (3) of the MSE Listing Requirements which states that the MSE will consider only applications in respect of share subdivisions from companies whose securities have a high market price and/or are poorly traded so as to improve the marketability of the securities.

## 6. APPLICATION TO THE MALAWI STOCK EXCHANGE

An application has been submitted to the Malawi Stock Exchange for the amendment of the Company's listing with regard to the Proposed Subdivision. This is subject to Standard Bank PLC meeting the relevant provisions of the MSE Listings Requirements pertaining to a subdivision of shares and all other regulatory requirements.

As part of the MSE Listings Requirements and the Companies Act, the conversion of shares into no par value shares and the Proposed Subdivision have to be approved by shareholders of the Company. Proof of the resolutions passed by shareholders of the Company in a general meeting approving the conversion of shares into no par value shares and the Proposed Subdivision must be submitted to the MSE prior to approving the amendment of the Company's listing to include shares arising from the Proposed Subdivision.

## 7. PROCEDURE TO BE ADOPTED REGARDING ALLOCATION OF THE ADDITIONAL SHARES ARISING FROM THE PROPOSED SUBDIVISION TO SHAREHOLDERS AND HANDLING OF SHARE CERTIFICATES

### 7.1 Register of shareholders of the Company

The Register of shareholders of Standard Bank PLC is in two separate parts.

- i. shareholders who appear in the CSD whose shares are in electronic form. These shareholders converted their physical share certificates to electronic accounts at the CSD through a process called dematerialization of share certificates; and;
- ii. shareholders whose securities are represented by share certificates.

This section highlights the procedures regarding the updating of the share register with the additional shares arising from the Proposed Subdivision on the assumption that it has been approved by shareholders at the AGM and the MSE.

#### 7.2 Existing shareholders whose holdings are in the CSD as an electronic record of shares

Shareholders whose record of holdings in the Company are in the CSD on the Record Date will have their accounts in CSD updated (credited) with the additional shares arising from the Proposed Subdivision. The account of the shareholder will therefore reflect the total shares after adding the shares resulting from the Proposed Subdivision.

For illustrative purposes we give below a table of initial Shares held in CSD and the Shares to appear in the CSD account post subdivision of shares:

Shareholder Number	Number of Shares before Proposed Subdivision	Number of Shares after Proposed Subdivision
1	500	2,500
2	750	3,750
3	1,000	5,000
4	1,250	6,250
5	1500	7,500

#### 7.3 Existing shareholders with physical share certificates

Shareholders whose holdings of Standard Bank PLC shares are in form of a physical share certificate will not have a record in the CSD. The record of their holdings after updating for the subdivision of shares will be maintained at Standard Bank Transfer Secretaries, based in Standard Bank building, Corner Sir Glyn Jones Road and Victoria Avenue.

Shareholders who hold physical share certificate (s) but wish to have their holdings of the Company's Shares updated in the CSD by the Record Date should approach a Registered Stockbroker to have their physical share certificate dematerialised before the Record Date.

Shareholders who hold physical share certificates beyond the Record Date should approach the Transfer Secretary for advice on the procedure to have their record of holdings updated in respect of the additional shares resulting from the Proposed Subdivision. This may involve a surrender of the physical share certificate to be replaced by an electronic holding in CSD account which will include the additional shares arising from the Proposed Subdivision.

#### 7.4 Trading of Shares arising from the Proposed Subdivision

The shares that are held in shareholders' accounts in CSD on

or by the Record Date will be available for trading on the MSE on the listing date. However, those shareholders whose shares are in physical certificate form on and beyond the Record Date should approach a Registered Stockbroker to have their shares dematerialized and updated in the CSD in order for the shares to be available for trading.

## 8. TIMETABLE OF EVENTS

Activity	Indicative Completion Date
AGM Notice published in the press	3 <sup>rd</sup> June 2025
Circular published in the press	3 <sup>rd</sup> June 2025
Circular and AGM Notice posted to shareholders	4 <sup>th</sup> June 2025
AGM	26 <sup>th</sup> June 2025
Announcement of AGM results	30 <sup>th</sup> June 2025
Filing of notices of amendments in respect of the conversion and subdivision at the Companies Registry	3 <sup>rd</sup> July 2025
Last cum-Split Trade date (last day to buy shares and still qualify for the subdivision (T+3 settlement))	15 <sup>th</sup> July 2025
Shares trading ex-Split – all buyers on 16 <sup>th</sup> , 17 <sup>th</sup> and 18 <sup>th</sup> July do not qualify for subdivision – subdivided shares will be allocated to the sellers	16 <sup>th</sup> July 2025
Last day to register for the Proposed Subdivision (Record Date). The Share register on this day will be used as a basis to effect the Proposed Subdivision. Closing price will be adjusted to reflect a new price on Monday 21 <sup>st</sup> July	18 <sup>th</sup> July 2025
Listing of the shares from subdivision of shares on MSE- Shares begin trading post-Split at adjusted price on market opening. New shares from subdivision are officially listed and tradeable	21 <sup>st</sup> July 2025

## 9. NOTICE OF THE AGM

The AGM will be held on 26<sup>th</sup> June 2025 and proxy forms will be included in the AGM pack that will be sent out to the Shareholders.

## 10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Subdivision including the rationale and effects, is of the opinion that the Proposed Subdivision is in the best interest

of the Company and its shareholders. Accordingly, the Board recommends that you vote in favor of the resolution pertaining to the Proposed Subdivision at the forthcoming AGM.

## 11. CONSENTS

The Transaction Advisor, Legal Advisor, Sponsoring Broker and Transfer Secretary have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

## 12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders are encouraged to attend the AGM on 26<sup>th</sup> June 2025, in person or through proxy, and to vote in favour of the Proposed Subdivision.

Shareholders will also be required to pass special resolutions to convert the shares into no par value shares and to amend the Company's memorandum and articles of association with respect to the statement of the authorised share capital.

The Circular in the AGM Pack will include a Form of Proxy for use by shareholders in connection with the AGM. Shareholders should complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible and in any event so that it may be received by the Company Secretary, by no later than 3.00 p.m. on 18<sup>th</sup> June 2025.

Appointment of a proxy will not preclude a Shareholder from attending and voting at the AGM if they wish to do so and are so entitled.

## 13. TRANSACTION FEES

Below is the list of fees paid to the advisors to the Transaction:

TRANSACTION FEES AND EXPENSES	
Party	Fees (MK)
Transaction Advisor	100,000,000.00
Legal Advisor	50,500,000.00
Sponsoring Broker	20,000,000.00
MSE Listing fees	49,001,702.00
Printing costs	10,252,000.00
<b>Total</b>	<b>229,753,702.00</b>

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

All the Directors of the Company, whose names appear on page 4 of this Circular, accept responsibility for the information contained in this document. The Directors affirm that to the best of their knowledge and belief, they have taken all reasonable care to ensure that the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

## 15. SHAREHOLDERS ELIGIBLE TO RECEIVE THE CIRCULAR

Where any or all of the shares have been sold or transferred by the addressee, the Circular and any other relevant documents should be passed to the stockbroker through whom the sale or transfer was effected for transmission to the purchaser or transferee.

For more information, please do not hesitate to consult the Sponsoring Broker or the Company Secretary.

Yours faithfully,



**Christopher Kapanga**  
BOARD CHAIRPERSON